



INTERIM FINANCIAL STATEMENTS

For the Nine months ended 31st December 2016

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2016	2015	Change %	2016	2015	Change %
Gross Income	1,380,525	907,499	52.1	3,649,262	2,491,921	46.4
Interest Income	1,236,424	836,902	47.7	3,279,862	2,355,141	39.3
Interest Expense	(726,439)	(406,145)	78.9	(1,833,522)	(1,139,074)	61.0
Net Interest Income	509,985	430,757	18.4	1,446,340	1,216,067	18.9
Fee and Commission Income	22,664	16,625	36.3	59,846	40,581	47.5
Net Fee and Commission Income	22,664	16,625	36.3	59,846	40,581	47.5
Net Gain / (Loss) from Trading	(276)	5,553	(105.0)	183	5,685	(96.8)
Other Operating Income	121,713	48,419	151.4	309,371	90,514	241.8
Total Operating Income	654,086	501,354	30.5	1,815,740	1,352,847	34.2
Impairment Charges for Loans and other losses	(3,502)	(8,940)	(60.8)	(29,580)	(53,077)	(44.3)
Net Operating Income	650,584	492,414	32.1	1,786,160	1,299,770	37.4
Operating Expenses						
Personnel Expenses	(145,952)	(113,531)	28.6	(423,771)	(325,799)	30.1
Premises Equipment and Establishment Expenses	(26,302)	(21,193)	24.1	(75,346)	(62,993)	19.6
Other Expenses	(125,829)	(104,134)	20.8	(353,034)	(289,509)	21.9
Operating Profit Before Value Added Tax & NBT	352,501	253,556	39.0	934,009	621,468	50.3
Value Added Tax on Financial Services & NBT	(73,437)	(44,912)	63.5	(164,793)	(98,584)	67.2
Profit Before Income Tax	279,064	208,644	33.8	769,216	522,884	47.1
Income Tax Expense	(96,309)	(69,872)	37.8	(262,912)	(173,814)	51.3
Profit for the Period	182,755	138,772	31.7	506,304	349,070	45.0
Earnings Per Share (Annualised)	17.59	13.36	31.7	16.25	11.20	45.0

VALLIBEL FINANCE PLC**Statement of Profit or Loss and Other Comprehensive Income**

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2016	2015	Change %	2016	2015	Change %
Profit for the period	182,755	138,772	31.7	506,304	349,070	45.0
Other Comprehensive Income for the Period , Net of Tax						
Other Comprehensive Income not be reclassified to Income Statement						
Remeasurement on Retirement Benefit Obligation	-	-	-	-	-	-
Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses)	-	-	-	-	-	-
Total Other Comprehensive Income not be reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income to be reclassified to Income Statement						
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(2,738)	(71)	3,742.3	3,657	(5,294)	169.1
Total Other Comprehensive Income to be reclassified to Income Statement	(2,738)	(71)	3,742.3	3,657	(5,294)	169.1
Total Other Comprehensive Income for the Period, Net of Tax	(2,738)	(71)	3,742.3	3,657	(5,294)	169.1
Total Comprehensive Income for the Period	180,017	138,701	29.8	509,961	343,776	48.3

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 31st December 2016	As at 31st March 2016 (Audited)	Change %
Assets			
Cash and Cash Equivalents	497,020	519,315	(4.3)
Placements with Banks and Other Finance Companies	2,900,087	1,312,170	121.0
Reverse Repurchase Agreements	-	1,679,717	(100.0)
Financial Investments - Held for Trading	3,997	4,067	(1.7)
Loans and Receivables to Other Customers	11,708,889	7,251,677	61.5
Lease Rental and Hire Purchase Receivables	12,088,370	11,228,228	7.7
Financial Investments - Available for Sale	736,911	104,658	604.1
Financial Investments - Held to Maturity	1,158,236	300,794	285.1
Other Financial Assets	17,859	15,969	11.8
Property, Plant and Equipment	276,155	194,787	41.8
Intangible Assets	7,691	4,130	86.2
Deferred Tax Assets	37,147	37,147	-
Other Assets	196,784	114,517	71.8
Total Assets	29,629,146	22,767,176	30.1
Liabilities			
Bank Overdrafts	1,437,605	1,224,665	17.4
Rental Received in Advance	295,294	208,870	41.4
Deposits due to Customers	17,399,213	14,804,037	17.5
Interest bearing Borrowings	5,792,486	2,243,116	158.2
Subordinated Term Debts	1,660,377	1,917,563	(13.4)
Current Tax Liabilities	231,649	38,688	498.8
Deferred Tax Liabilities	182,866	182,866	-
Other Liabilities	258,243	190,776	35.4
Retirement Benefit Obligations	36,403	27,669	31.6
Total Liabilities	27,294,135	20,838,250	31.0
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	484,438	383,177	26.4
Available For Sale Reserve	(4,352)	(8,009)	(45.7)
General Reserve	7,500	7,500	-
Retained Earnings	1,560,272	1,259,105	23.9
Total Equity	2,335,011	1,928,926	21.1
Total Liabilities and Equity	29,629,146	22,767,176	30.1
Net Assets Value Per Share (Rs.)	56.20	46.42	21.1

The information contained in these statements have been extracted from the unaudited Financial Statements of the company unless indicated as audited.

Certification

These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007.


K.D. Menaka Sameera
AGM - Finance & Administration

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.
Approved and signed for and on behalf of the Board ;


Dhammika Perera
Executive Director


S.B. Rangamuwa
Managing Director

1st February 2017
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the nine months ended	Stated Capital	Statutory Reserve Fund	Available For Sale Reserve	General Reserve	Amounts in Rupees '000	
					Retained Earnings	Total Equity
Balance as at 01st April 2015	287,153	280,524	9,258	7,500	929,735	1,514,170
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	349,070	349,070
Other Comprehensive Income, net of Tax	-	-	(5,294)	-	-	(5,294)
Total Comprehensive Income for the Period	-	-	(5,294)	-	349,070	343,776
Transactions with Equity Holders of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	(83,101)	(83,101)
Total Contributions and Distributions	-	-	-	-	(83,101)	(83,101)
Statutory Reserve Transfers	-	69,814	-	-	(69,814)	-
Balance as at 31st December 2015	287,153	350,338	3,963	7,500	1,125,890	1,774,844
Balance as at 01st April 2016	287,153	383,177	(8,009)	7,500	1,259,105	1,928,926
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	506,304	506,304
Other Comprehensive Income, net of Tax	-	-	3,657	-	-	3,657
Total Comprehensive Income for the Period	-	-	3,657	-	506,304	509,961
Transactions with Equity Holders of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	(103,877)	(103,877)
Total Contributions and Distributions	-	-	-	-	(103,877)	(103,877)
Statutory Reserve Transfers	-	101,261	-	-	(101,261)	-
Balance as at 31st December 2016	287,153	484,438	(4,352)	7,500	1,560,272	2,335,011

VALLIBEL FINANCE PLC**Cash Flow Statement**

For the period ended	Amounts in Rupees '000	
	31st December 2016	31st December 2015
Cash Flow From Operating Activities		
Interest and Commission Receipts	3,339,499	2,431,392
Interest Payments	(1,658,435)	(973,470)
Cash Receipts from Customers	287,144	87,376
Cash Payments to Employees and Suppliers	(799,323)	(625,569)
Operating Profit Before Changes in Operating Assets and Liabilities	1,168,885	919,729
(Increase) / Decrease in Operating Assets		
Short Term Funds & Other Short Term Negotiable Securities	(2,445,313)	1,685,183
Deposits held for Regulatory or Monetary Control Purposes	1,104,993	(599,245)
Funds Advanced to Customers	(5,260,510)	(4,375,290)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	2,106,911	1,612,467
Certificate of Deposits	294,735	(18,543)
Net Cash (Used in) / Generated from Operating Activities before Tax	(3,030,300)	(775,699)
Taxes paid	(224,384)	(269,908)
Net Cash (Used In) / Generated from Operating Activities	(3,254,684)	(1,045,607)
Cash Flows From Investing Activities		
Dividends Received	253	136
Proceed from sale of Property , Plant and equipment	1,743	4,318
Purchase of Property , Plant and equipment	(133,880)	(60,867)
Net Cash (Used In) / Generated from Investing Activities	(131,884)	(56,413)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	3,255,208	836,168
Dividend paid	(103,877)	(83,101)
Net Cash (Used In) / Generated from Financing Activities	3,151,331	753,067
Net Increase / (Decrease) in Cash & Cash Equivalents	(235,235)	(348,953)
Cash & Cash Equivalents at the Beginning of the Period	(705,350)	(105,814)
Cash & Cash Equivalents at the End of the Period (Note A)	(940,585)	(454,767)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	497,020	328,340
Bank Overdrafts	(1,437,605)	(783,107)
	(940,585)	(454,767)

Analysis of Financial Instruments by Measurement Basis

Amounts in Rupees '000

As at	Held For Trading (HFT)		Held To Maturity (HTM)		Loans and Receivables (L&R)		Available For Sale (AFS)		Total		
	31st December 2016	31st March 2016	31st December 2016	31st March 2016	31st December 2016	31st March 2016	31st December 2016	31st March 2016	31st December 2016	31st March 2016	
Assets											
Cash and Cash Equivalents	-	-	-	-	497,020	519,315	-	-	497,020	519,315	
Placements with Banks and Other Finance Companies	-	-	-	-	2,900,087	1,312,170	-	-	2,900,087	1,312,170	
Reverse Repurchase Agreements	-	-	-	-	-	1,679,717	-	-	-	1,679,717	
Financial Investments - Held for Trading	3,997	4,067	-	-	-	-	-	-	3,997	4,067	
Loans and Receivables to Other Customers	-	-	-	-	11,708,889	7,251,677	-	-	11,708,889	7,251,677	
Lease Rental and Hire Purchase Receivables	-	-	-	-	12,088,370	11,228,228	-	-	12,088,370	11,228,228	
Financial Investments - Available for Sale	-	-	-	-	-	-	736,911	104,658	736,911	104,658	
Financial Investments - Held to Maturity	-	-	1,158,236	300,794	-	-	-	-	1,158,236	300,794	
Other Financial Assets	-	-	-	-	17,859	15,969	-	-	17,859	15,969	
Total Financial Assets	3,997	4,067	1,158,236	300,794	27,212,225	22,007,076	736,911	104,658	29,111,369	22,416,595	
					Held For Trading 31st December 2016	31st March 2016	Amortised Cost 31st December 2016		31st March 2016	Total 31st December 2016	
Liabilities											
Bank Overdrafts					-	-	1,437,605	1,224,665	1,437,605	1,224,665	
Rental Received in Advance					-	-	295,294	208,870	295,294	208,870	
Deposits due to Customers					-	-	17,399,213	14,804,037	17,399,213	14,804,037	
Interest bearing Borrowings					-	-	5,792,486	2,243,116	5,792,486	2,243,116	
Subordinated Term Debts					-	-	1,660,377	1,917,563	1,660,377	1,917,563	
Total Financial Liabilities					-	-	26,584,975	20,398,251	26,584,975	20,398,251	

Explanatory Notes

1. These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st April 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the year ended 31st March 2016.
2. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.
3. The Company has paid first and final dividend of Rs. 2.50 per share for the year ended 31st March 2016, on 21st June 2016.
4. There were no material events took place since 31st December 2016 other than disclosed above in Financial Statements.
5. During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debenture.

Selected Performance Indicators

Indicator	As at 31st December 2016	As at 31st December 2015
	Rs'000	Rs'000
Asset Quality		
Based on Sri Lanka Accounting Standards effected prior to 1st April 2012		
Total Accommodation (Net of Interest in Suspense)	24,407,002	17,530,052
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	23,846,004	16,994,249
Non-Performing Accommodations (Net of Interest in Suspense)	670,433	654,706
Liquidity		
Required Minimum Amount of Liquid Assets	1,822,372	1,521,866
Available Amount of Liquid Assets	3,181,489	1,639,062
Required Minimum Amount of Government Securities	1,098,644	847,503
Available Amount of Government Securities	1,156,756	867,053
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	7.45%	8.19%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	11.17%	12.29%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	16.28%	15.81%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.47%	2.76%
Return on Equity - (Annualised)	31.31%	31.28%

Information On Ordinary Shares

Share Price During the Quarter	For the quarter ended	
	31.12.2016	31.12.2015
Highest	Rs. 65.00	71.00
Lowest	Rs. 58.50	63.00
Closing	Rs. 60.40	67.90
No. of Ordinary Share Issued As At 31st December	41,550,600	41,550,600

Information On Listed Debentures

Market Values of Listed Debentures

VFIN Debentures 2014/2019

	Highest		For the quarter ended		Period End	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
5 Year Fixed Rate - 14.75%	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.00%	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.50%	N/T	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Period End	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
5 Year Fixed Rate - 10.25%	N/T	95.73	N/T	95.73	N/T	95.73

Interest Rates

VFIN Debentures 2014/2019

	For the quarter ended			
	Coupon Rate		Effective Rate	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
5 Year Fixed Rate - 14.75%	14.75%	14.75%	15.59%	15.59%
5 Year Fixed Rate - 15.00%	15.00%	15.00%	15.56%	15.56%
5 Year Fixed Rate - 15.50%	15.50%	15.50%	15.50%	15.50%

VFIN Debentures 2015/2020

	For the quarter ended			
	Coupon Rate		Effective Rate	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
5 Year Fixed Rate - 10.25%	10.25%	10.25%	10.51%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	31.12.2016	31.12.2015
5 Year Treasury Bond	11.76%	9.79%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		For the quarter ended		Fixed - 15.50%	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Interest Yield	N/T	N/T	N/T	N/T	N/T	N/T
Yield to Maturity of last trade	N/T	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended	
	31.12.2016	31.12.2015
Interest Yield	N/T	10.71%
Yield to Maturity of last trade	N/T	11.50%

* N/A - Not Applicable as at 31st December and N/T - Not Traded as at 31st December

Ratios

	31.12.2016	31.12.2015
Debt to Equity Ratio (%)	319%	172%
Interest Cover (Times)	1.51	1.55
Liquid Asset Ratio (%)	17.46%	10.77%

Financial Reporting by Segments as per the Provisions of SLFRS - 08

The primary business segment reporting format is determined to be business segment as nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves in different markets.

The Following table presents financial information regarding business segments : -

Business Segments

For the Period ended 31st December	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income From												
External Operations												
Interest	1,555,000	1,146,764	234,849	527,528	1,227,669	522,935	262,344	157,915	-	-	3,279,862	2,355,141
Administration Fees	-	-	-	-	-	-	-	-	59,846	40,581	59,846	40,581
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	253	136	-	-	253	136
Other	84,630	-	44,083	-	126,506	-	33,582	-	20,500	96,063	309,301	96,063
Total Revenue	1,639,630	1,146,764	278,932	527,528	1,354,175	522,935	296,179	158,051	80,346	136,644	3,649,262	2,491,921
Profit before Income tax											769,216	522,884
Taxation											(262,912)	(173,814)
Profit after tax											506,304	349,070
Other Information												
As at 31st December												
Segment assets	11,051,664	8,912,127	1,036,706	2,300,474	11,708,889	5,754,399	4,799,232	2,444,504	1,032,656	715,316	29,629,146	20,126,821
Segment Liabilities	10,180,706	8,126,228	955,005	2,097,612	10,786,136	5,246,959	4,421,014	2,228,940	951,274	652,238	27,294,135	18,351,977
Net assets	870,958	785,899	81,701	202,863	922,753	507,440	378,218	215,564	81,381	63,079	2,335,011	1,774,844

Additional Notes

20 Major Shareholders As At 31st December 2016

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.868%
2 Mr. K D A Perera	1,359,809	3.273%
3 Mr. R F T Perera	1,225,267	2.949%
4 Mr. S B Rangamuwa	860,092	2.070%
5 Union Bank of Colombo PLC/Mr S Abishek	289,157	0.696%
6 Mr. C S J Perera	285,200	0.686%
7 Mr. V R Kathiragamamatamby	205,000	0.493%
8 Mr. H Beruwalage	202,800	0.488%
9 Mr. B A R Dissanayake	200,500	0.483%
10 Mrs. K I A Hewage	200,000	0.481%
11 Mr. D S Panditha	153,798	0.370%
12 Mr. N Balasingam	134,900	0.325%
13 Mrs. S P Gunasekara	132,913	0.320%
14 Mr. A Sithampalam	130,605	0.314%
15 Mr. F J P Raj	128,130	0.308%
16 Code-Gen International (Pvt) Ltd	125,000	0.301%
17 Mr. R Udalagama	113,022	0.272%
18 Mr. R Gautam	102,000	0.245%
19 Mr. W M A B Walisundara	100,155	0.241%
20 Mr. H A Van Starrex	98,138	0.236%
	36,323,486	87.420%
Others	5,227,114	12.580%
	41,550,600	100.000%

Directors' Shareholding As At 31st December 2016

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	860,092	2.070%
4 Mr. R M Karunaratne	-	-
5 Mr. T Murakami	-	-
6 Mr. K D A Perera	1,359,809	3.273%
7 Mr. A Dadigama	-	-
8 Mr. H Ota (Alternate Director to Mr. T Murakami)	-	-
	2,220,501	5.344%

Public Holding As At 31st December 2016

Public Holding As At 31st December 2016 21.63%

Number of Public Shareholders 2,019